

WASHINGTON - Congressman Spencer Bachus (AL-6), Ranking Member of the Financial Services Committee, made the following statement regarding the Bianco Research report that the Capital Purchase Program authorized under TARP has yielded an initial profit for taxpayers of almost eight billion dollars to date:

“While this is only one study that tries to calculate the potential profits under the Capital Purchase Program, it provides cause for optimism that taxpayers ultimately may gain from this investment.

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“The direct capital injection approach, an approach I urged as an alternative, provides better protection for taxpayers than the purchase of illiquid assets.□

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“As I have said, one of the benefits of direct capital injections is that you avoid the pricing problem because the market helps set the price.□ Though preliminary, the report is welcome news and demonstrates above all the value of transparency in the process.□ While the ultimate return on the government’s investment will depend on several market forces, as I said from the start, direct capital injections are quicker to implement, safer, and better for the taxpayer.”□ □

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“In a year with so much economic turmoil, this glimmer of positive news is welcomed.”

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